

GLASGOW CITY REGION CABINET.

Minutes of meeting held on 18th November 2025 at the City Chambers, Glasgow.

Present: Councillor Susan Aitken (Chair), Glasgow City Council; Councillor Gordan Low, East Dunbartonshire Council; Councillor Owen O'Donnell, East Renfrewshire Council; Councillor Stephen McCabe, Inverclyde Council; Councillor Jim Logue, North Lanarkshire Council; Councillor Iain Nicolson, Renfrewshire Council; Councillor Joe Fagan, South Lanarkshire Council; and Councillor Martin Rooney, West Dunbartonshire Council.

Attending: E Rodger (Clerk); A Davie, East Dunbartonshire Council; M Sullivan, East Renfrewshire Council; S Millar and C MacKenzie, Glasgow City Council; S Jamieson, Inverclyde Council; L Noble, North Lanarkshire Council; P Manning, South Lanarkshire Council; P Hessematt, West Dunbartonshire Council; B Walker, Renfrewshire Council; D McNulty, Commission on Economic Growth; Professor Sir J McDonald and K Kane, Glasgow Economic Leadership; and V Boyd, C Ciucci, P Kilby, M McNally, R Nimmo, A Robertson and J Thompson, Glasgow City Region.

Minutes of previous meeting approved.

1 There was submitted and approved the minutes of 19th August 2025.

Glasgow City Region Investment Zone - Programme Assurance Framework approved etc - Delegated authority to Director of Economic Growth.

2 There was submitted a report by the Director of Regional Economic Growth regarding an update on the Glasgow City Region Investment Zone (GCR IZ) Gateway process and details of the proposed Assurance Framework, advising that

- (1) the UK and Scottish Government (SG) had confirmed approval of Gateway 3, enabling the GCR IZ to formally progress to Gateway 4 and that a small number of additional points of clarification had been sought on Gateway 4 that were submitted to Government on 27th October 2025 and that approval of Gateway 4, including the draft budget and Non-Domestic Rates Retention sites was expected in the coming weeks;
- (2) the final formal Gateway stage of the Investment Zone process was Gateway 5 that focused on operational delivery, risk and evaluation and it required a submission to UK and SG by 7th November 2025 and given the timescales, it had been proposed that the final Gateway 5 detail was approved by the Director of Regional Economic Growth, in advance of the submission;
- (3) to support the governance and management of the GCR IZ programme an Assurance Framework had been developed with input from Finance and Audit

and that this Assurance Framework would build on the Programme Management Office experience of the City Deal and UK Shared Prosperity Fund programmes;

- (4) in addition, the Assurance Framework incorporated information provided by government from the Investment Zone Technical Guidance, the draft Memorandum of Understanding (MoU); and;
- (5) the full GCR IZ Assurance Framework, as detailed in the Appendix to the report had a number of areas to note:-
 - (a) Glasgow City Council was considered as the Accountable Body for the administration of the grant;
 - (b) payment of the grant to projects would be 3 monthly in arrears, based on actual and eligible spend, following feedback from the Chief Executive's Group;
 - (c) change control within GCR IZ projects would be delegated to the Director of Regional Economic Growth, which would be reported via the Quarterly Performance report;
 - (d) GCR was required to provide UK and SG with an Annual Report, in addition to the 6 monthly monitoring reports; and
- (6) it was expected that the Assurance Framework would be augmented by a Grant Agreement following the finalisation of the MoU with SG and that the GCR IZ Assurance Framework be reviewed on an annual basis;
- (7) of the GCR IZ Programme budget providing 4% of the annual budget for Capacity Funding, equating to £640,000 per annum and that this funding was to support the delivery of the overall GCR IZ Programme together with the expectation that the funding would be used to cover PMO and Member Authority resource costs related to the IZ programme; and
- (8) that this would be included within the overall PMO budget and delegate the allocation of the ICR IZ Capacity Funding to the Director of Regional Economic Growth with reporting on expenditure through the Finance Strategy Group, Chief Executives' Group and Cabinet, as appropriate.

After consideration, the Cabinet;

- (a) noted the report;
- (b) approved;
 - (i) the GCR IZ Assurance, Governance and Programme Management Framework; and

- (ii) delegated authority of the GCR IZ Capacity Fund to the Director of Regional Economic Growth.

Intelligence Hub - Economic Data Update – Presentation noted.

3 The Cabinet noted an economic briefing presentation by Andrew Robertson, Intelligence Hub Manager, Glasgow City Region (GCR), highlighting that

- (1) while the latest macroeconomic data continued to show a mixed picture, the UK's GDP grew by 0.1% in the quarter from July to September 2025, compared with growth of 0.3% in the 2nd Quarter of the year;
- (2) according to the IMF, the UK faced the worst G7 inflation driven by profiteering, however the UK inflation had stayed at 3.8% in September and that the UK had recorded a rare increase in productivity growth, according to the Resolution Foundation;
- (3) the Resolution Foundation had released a reflective report on the state of living standards in the UK over the past 20 years that showed income growth had stagnated to an unprecedented extent, especially in recent times and apart from income growth, living standards also depended on accrued debts and stocks of wealth and that savings and debt played a key role in the financial lives of low-to-middle income Britain;
- (4) October marked Challenge Poverty Week - a time to raise awareness and call for meaningful action to end poverty and that children in Scotland continued to be at a greater risk of poverty than the rest of the population and that in 2023/24, nearly three-quarters of Scottish local authorities had at least one in five children living in poverty;
- (5) the Minimum Income Standard (MIS) defined the level of income needed for everyone in the UK to achieve a socially acceptable standard of living and based on research trends that showed the importance of policy choices and that more must be done to raise incomes from work, while GCR could not influence social security policy, it could promote fair work and support businesses that paid decent wages; and
- (6) that the Economic Nobel Prize winners had made groundbreaking work on how knowledge accumulation and innovation sustained long-term economic growth and improved living standards.

Glasgow City Region Strategic Outline Programme Business Case (SOPBC) noted.

4 There was submitted and noted a report by the Director of Regional Economic Growth regarding the content of the SOPBC for the Glasgow City Region Investment Zone (GCR IZ) programme and of the next steps in the GCR IZ process, advising that,

- (1) the GCR Programme Management Office (PMO) had been working with the GCR IZ short-listed projects on the development of the Programme and Project specific Business Cases and of the development of a SOPBC for the GCR IZ Programme, following the methodology used for the City Deal funded Enabling Commercial Space programme;
- (2) the SOPBC had been developed by the GCR PMO, building on the GCR IZ activity that had been undertaken over the past 2 years and had followed the HM Treasury Green Book Business Case methodology and the principle of the SOPBC was that it provided the strategic programme context for the Investment Zone which the individual short-listed project Business Cases would then follow;
- (3) in addition, the SOPBC requested approval for GCR IZ grant funding for a number of projects in advance of an individual Outline or Full Business Cases (OBC/FBC) and that the grant funding would be utilised by the projects to support the design and development of project OBC/FBCs and of the breakdown of the requested funding, as detailed in Table 1 of the report;
- (4) with approval of the SOPBC, individual GCR IZ short-listed projects would then be considered “Approved” projects and would be able to access the grant funding and bring forward OBC/FBC to progress their project development and delivery and an overview of the indicative dates for the individual GCR IZ projects to bring forward Business Cases to this Group, as detailed in Table 2 of the report;
- (5) given the requirement for FBC approval in advance of budget drawdown, there may be programme budget implications from when projects are able to submit and obtain approval for the FBC and that the terms of the IZ grant enabled the programme to carry forward 30% of the annual budget without further approval of Government and that the GCR IZ budget allocation for Year 1 2025/26 was £9.373m;
- (6) a summary of planned programme expenditure by 31st March 2026, subject to the approval of FBC’s and projects being able to demonstrate eligible expenditure, as detailed in table 3 of the report;
- (7) while the tax-site had a nominal £2.5m allocation per annum, this would not be required to be drawn down in year 1 but when companies access the tax incentives over the 10-15 year duration of the interventions and should the programme not be able to achieve this level of spend in 2025/2026, the GCR PMO would make the case to Government to carry forward the underspend into Year 2 2026/2027, if outwith the 30% threshold; and
- (8) of the next steps, as detailed in the report.

Glasgow City Region - Strategic Outline Programme Business Case (SOPBC) approved.

5 With reference to the minutes of the Chief Executives' Group of 5th November 2025 approving a review process that Glasgow City Region Investment Zone business cases were compliant with the approach contained within the H.M. Treasury Green Book, there was submitted a report by the Director of Regional Economic Growth regarding the appraisal of the GCR Investment Zone Strategic/Outline Programme Business Case (S/OPBC), advising that

- (1) the appraisal of the business case had been carried out in line with the appraisal template and that the Programme Management Office (PMO) considered that the S/OPBC was consistent with the requirements of H.M. Treasury Green Book, however it remained the case that all legal and financial risks associated with the individual projects within the S/OPBC remained with the project operators and that the Executive Summary for the Investment Zone project, as detailed in Appendix 1 of the report;
- (2) the Investment Zone programme consisted of a shortlist of projects that were to be appraised for funding and to progress to Full Business Case, together with timescales, the costs and funding, as detailed in the Executive Summary of Appendix 1 of the report;
- (3) the indicative quantified project outputs for the SOPBC had been identified by the individual projects and that those would be updated as individual businesses cases that are produced, in addition to individual benefits trackers as required by the Assurance Framework;
- (4) all short-listed projects were currently undergoing a rigorous economic appraisal process and that project bidders had approached the appraisal of their projects primarily from a private sector perspective, consequently the assessment of wider public sector economic benefits such as Gross Value Added (GVA), jobs, and additionality assumptions remained under development; and
- (5) that project bidders had provided the PMO with indicative cost estimates, while the Intelligence Hub had undertaken calculations of the associated economic impacts and that this work was ongoing as projects were at varying stages of development and therefore some cost and benefit information continued to be refined, as detailed in the report.

After consideration, the Cabinet

- (a) noted the report and the PMO Appraisal and Risk Register were both available on request from the Clerk; and
- (b) approved
 - (i) the Strategic Outline Programme Business Case; and
 - (ii) the £2.131m of funding to enable projects to progress to Outline and/or Full Business Case.

Quarterly performance report Q2 2025/26 noted etc.

6 There was submitted a performance report by the Director of Regional Economic Growth for Quarter 2, 2025/26 for the period to 30th October 2025, providing updates on the Regional Economic Strategy Action Plan Programmes/Projects of the City Deal Programme and the City Region Team workplan.

After consideration, the Cabinet noted

- (1) the report; and
- (2) the Change Control Requests as set out in Section 8 of the report.

City Deal Delivery Confidence Report noted – Proposal approved etc.

7 There was submitted a report by the Director of Regional Economic Growth providing the results of a Delivery Confidence Review of the projects' construction end dates for the City Deal Programme, advising that

- (1) following Cabinet agreement that the Glasgow City Region City Deal Programme Management Office (PMO) should consult with Member Authorities (MAs) on the feasibility of (covering risks, benefits, and key considerations) of establishing a Construction End date for the City Deal programme, and that the PMO had worked with Lead Officers to review the current construction completion dates;
- (2) the Delivery Confidence Review had been undertaken to assess the achievability of the December 2030 target for the Enabling Commercial Space Project and a March 2029 target date for all other City Deal projects, with this being the date project progress would be evaluated at for Gateway 3;
- (3) the Delivery Confidence Framework guidance had established structured methodology for assessing the likelihood that a programme/project would achieve its intended objectives within agreed parameters of time, cost, scope, quality and benefits;
- (4) the approach had required project owners to assess their confidence with regards to factors that would be expressed through a Red/Amber/Green (RAG) rating, that Lead Officers had provided an overall Delivery Confidence rating using a 5-point scale and of the findings of the Delivery Confidence assessment that had been carried out for the 62 sub-projects by MAs that were yet to complete construction, all as detailed in the report;
- (5) the key findings, as detailed in Table 3 highlighted that the overall percentage of construction end dates assessed was as "highly likely, no major changes" approximately 87% and of the project level information for the 8 sub-projects

that had been asked to provide a notional revised Construction End date that would see the confidence levels rise, as detailed in the report;

- (6) the MAs remained committed to delivering all remaining 62 projects/sub-projects on time and budget, however, while work was still ongoing to maintain current Construction End dates for the 8 projects (with the notional revised dates not being formal Change Control Requests (CCRs)) it was anticipated that a number of CCRs would be forthcoming from those 8 projects, with 5 potentially moving to completion beyond March 2029, should the notional revised dates be applied;
- (7) based on the data submitted with the exception to the East Airdrie Link Road, the proposed construction completion dates of December 2029 for ECS projects would appear to be achievable, however, the proposed Construction End date of March 2029 for the remaining City Deal projects was a significant concern, with a number of projects indicating that they may seek to move beyond this date, albeit this had not been quantified at this stage; and
- (8) of the 4 year lead-in time, the views of both governments at the 2025 Annual Conversation and the need to leave sufficient time for reallocation should any further project slippage occur that the PMO was recommending that a formal construction end date be set for December 2029, with the exception of the 2 projects of East Airdrie Link Road (given the dependence on NHS Lanarkshire) and Enabling Commercial Space Programme given that was a recent addition to the City Deal programme, noting that at present the Construction End of the Enabling Commercial Space programme was December 2029, however it was recommended that this programme had flexibility beyond that date should CCRs be submitted.

After consideration, Cabinet

- (a) noted the report; and
- (b) agreed the proposed Programme Construction End date as set out in section 6.5 of this report.

Clyde Mission Heat Decarbonisation Fund approved etc – Delegated authority to Chief Executive’s Group.

8 There was submitted a report by the Director of Economic Growth regarding the progress of the Clyde Mission Heat Decarbonisation Fund (CM-HDF) design and to secure the necessary approvals to launch the scheme in November 2025, advising

- (1) that CM-HDF was a targeted investment programme established by Glasgow City Region (GCR) that the Scottish Government was funding under the Clyde Mission programme and its purpose was to accelerate the replacement of fossil fuel heating systems with low and zero carbon alternatives across the

Clyde Mission corridor, in line with local, regional and national policy objectives;

- (2) that development of the CM-HDF scheme was focused on establishing a robust framework to enable impactful delivery, demonstrate alignment with policy objectives, provided assurance and of the key features of the scheme design process and that this comprehensive approach would mean that the CM-HDF was ready to progress to the implementation phase with the proposed governance, compliance and delivery structures, as detailed in the report;
- (3) of the proposed CM-HDF scheme eligibility, application process, value for money mechanisms, subsidy control approach, community benefits realisation arrangements and that a CM-HDF risk register had been developed in accordance with the GCR Assurance Framework;
- (4) the CM-HDF had an overall budget of £25 million sourced from the SG over 3 years, with annual budget allocations being subject to approval through the SG budget process facilitated by a standard Grant Offer Letter approach and provided an indicative budget profile over a 3 year period, as detailed in the report at Table 1; and
- (5) of the timescale of the indicative programme, as detailed in the report.

After consideration, Cabinet

- (a) noted the report;
- (b) approved;
 - (i) the proposed Clyde Mission Heat Decarbonisation Fund design;
 - (ii) a grant budget envelope for financial year 2026/27 of £5 million (subject to Scottish Government confirmation); and
 - (iii) that the proposed delegation of authority to the Chief Executives' Group to approve grant recommendations within the approved budget envelope.

Local Innovation Partnership Update noted – Proposals approved etc.

9 With reference to the minutes of 18th September 2025 noting an update on the £30m+ Local Innovation Partnership Fund (Fund), there was submitted a report by the Director of Regional Economic Growth regarding a further update on the Fund and of the updated approach to developing the regional programme, advising

- (1) of the further guidance published by the UK Research and Innovation on 3rd October 2025 for the Fund, that included a delivery model based on a 'Triple Helix' approach that would allow the Region to collaborate with research

institutions and businesses to act as a 'Lead Bidder' and as such it had been proposed that the Region acts as 'Lead Bidder' that would come with up to £300,000 for opex costs;

- (2) that on 19th October 2025 it was announced that the Region alongside Greater Manchester and West Midlands would receive an additional £20m each and that the funding package would give local leaders in those 3 areas access to a total of £50 million each to fund innovations in science and technology in their local areas and that the Regional team had explored how this additional funding could be best used;
- (3) that the view of stakeholders had been that the Health and Life Sciences and Digital and Enabling Technology clusters should be supported through the Fund and that the updated guidance emphasised the importance of 'specialisms' and 'uniqueness' that would require looking at sub-sector specialisms to be defined as part of the 'Readiness Check' due for submission on 13th November 2025;
- (4) of the 3 different activities that were eligible for funding had been explored and following discussions, specific on leverage and specialisms, that it was proposed the focus would be on:
 - (a) **boosting commercialisation of R&D:** by supporting the transfer of technology to industry, new product development, partnering between research institutes and industry etc, this could help address a major productivity challenge in the Region; and
 - (b) **skills for emerging sectors/skill for the future:** evidence suggested that there is a lack of skills to support clear cluster growth and UKRI had confirmed they would be supportive of such a project;
- (5) that with the addition of £20m to the Region it was proposed that this money be used to support the delivery of infrastructure activity for Health and Life Sciences as research conducted had highlighted the lack of lab space which was acting as a barrier to the growth of the cluster, therefore it was proposed that over the next few months that the team would review opportunities to meet this challenge, recognising the requirement for delivery over the next 5 years;
- (6) of the recommendations that the Fund was broadly allocated as follows:
 - (a) £25m for commercialisation of R&D activities – shaped via a call for proposals opened on 21st November 2025;
 - (b) £20m for lab space to support cluster growth – developed through regional partners; and
 - (c) £5m for a complementary skills programme – to be delivered via the Region's colleges;

- (7) that the GCR programme objectives had helped during the development of the GCR Investment Zone portfolio and of the proposal that a refined version of those objectives would be used for the development of the Fund portfolio, as detailed in the report;
- (8) of the updated guidance that provided further information on the timelines, the proposal that the Region would follow the wave 1 process timelines and that the portfolio would be brought back to the Group and Cabinet for approval prior to submission; and
- (9) of the next steps that included the 'Readiness Check' that was still under development, as detailed in the report.

After consideration, the Cabinet

- (a) noted
 - (i) the report; and
 - (ii) the additional £20m that had been allocated to the Region for the Fund, bringing the total allocation to £50m; and
- (b) approved
 - (i) the recommendations for the Health and Life Sciences and Digital and Enabling Technology clusters to be supported through the Fund; and
 - (ii) subject to project proposals, to pull together a portfolio of which was broadly split as follows;
 - (A) £25m for commercialisation of R&D activities;
 - (B) £20m to meet a shortfall in lab space; and
 - (C) £5m for a complementary skills programme; and
- (c) agreed
 - (i) the proposal for the programme objectives to support the development of the portfolio;
 - (ii) that the Region acts as 'Lead Bidder' and explore the option of acting as 'Anchor Entity'; and
 - (iii) the next steps as set out in section 9.4 of the report.

Glasgow City Region UK Shared Prosperity Fund Quarter 2, 2025/26 report approved – Request to Councillor Susan Aitken, Glasgow City Council.

10 There was submitted a report by the Director of Regional Economic Growth regarding the Glasgow City Region (GCR) UK Shared Prosperity Fund (UKSPF) spend to the end of Quarter 2, 2025/26 and an update on details of future UK Government budget projections and potential programme impact.

After consideration, the Cabinet;

- (1) noted the report;
- (2) agreed that the Chair would write to the Ministry of Housing, Communities and Local Government (MHCLG) and the Scottish Office; and
- (3) approved the Quarter 2 2025/26 GCR UKSPF Report for submission to UK Government.

Date of next meeting noted.

11 Cabinet noted that due to diary clashes the meeting scheduled for 24th February 2026 had been cancelled, with an alternative date to be confirmed.